

Message Text

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ACTION OPIC-06

INFO OCT-01 AF-06 ISO-00 EB-07 COME-00 TRSE-00 FRB-03

CIAE-00 INR-07 NSAE-00 L-02 OMB-01 /033 W

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R 021505Z APR 75

FM AMEMBASSY LUSAKA

TO SECSTATE WASHDC 1433

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PLEASE PASS OPIC

EO 11652: N/A

TAGS: EFIN, ZA

SUBJECT: TAW

REF: STATE 44652, 47250; LUSAKA 397

1. FOLLOWING IS TEXT OF SUBSTANTIVE PORTION OF LETTER I RECEIVED FROM STANDARD BANK ZAMBIA DEPUTY CHAIRMAN ELIAS M. CHIPIMO, WHO MET FOR HOUR AND HALF MARCH 27 WITH TAW CREDITORS' REP HARRY CAVANAUGH AT MY REQUEST. BANK'S MANAGER FOR BUSINESS DEVELOPMENT A. O'DWYER ALSO PARTICIPATED IN MEETING.

2. QUOTE: BASICALLY THERE ARE TWO ALTERNATIVES: REPATRIATION OF PROCEEDS FROM SALE OF ASSETS UNDER TAW'S APPLICATION TO THE BANK OF ZAMBIA FOR EXCHANGE CONTROL AUTHORITY, OR THE REPATRIATION TO BE PART OF THE TERMINAL AGREEMENT SHOULD GOVT DECIDE TO SETTLE ONE WAY OR ANOTHER.

3. IF OPIC WANT TO ELECT US TO ACT AS THEIR AUTHORIZED MEDIUM OF CAPITAL REPATRIATION, WE WOULD GLADLY ASSIST WHEN THE APPLICATION IS MADE AND ALL THE FACTS BECOME CLEARER. ON THE OTHER HAND THE FORM IN WHICH THE AGREEMENT IS RESOLVED MAY MAKE PROVISION FOR PAYMENTS IN A DESIGNATED CURRENCY TO BE PAID DIRECTLY BY THE BANK

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OF ZAMBIA ON BEHALF OF GOVERNMENT. EXTRA - COMMERCIAL

BANK ARRANGEMENTS WOULD OBVIOUSLY CREATE SOME
EMBARRASSING POSSIBILITIES AND MR. CAVANAUGH
WAS ADVISED ACCORDINGLY. END QUOTE.

4. FINAL SENTENCE QUOTED ABOVE REFERS TO PROPOSITION
OUTLINED PARA 2 STATE 44652 FOR USG USE OF LOCAL CURRENCY
RELEASED BY COMPOSITION AGREEMENT WITH CORRESPONDING
CREDIT TO OPIC ACCOUNT.

5. CHIPIMO IS LONG-TIME RELIABLE AND VERY KNOWLEDGEABLE
FRIEND OF EMBASSY AND US. WE HAVE CONSISTENTLY FOUND HIS
ADVICE AND COUNSEL ACCURATE AND SOUNDLY-BASED.

6. FOREGOING MAY BE PASSED TO CAVANAUGH.
WILKOWSKI

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